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National Agricultural Statistics Service



News Release

Cooperating with the Montana Department of Agriculture
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Farm Production Expenditures Hit Record High in 2007, USDA Reports

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The rising cost of fuel and other products helped drive U.S. farm production expenditures to a record \$260 billion in 2007, according to the Farm Production Expenditures 2007 summary released by the U.S. Department of Agriculture's National Agricultural Statistics Service (NASS). Total U.S. farm production expenditures rose 9.3 percent from 2006 and nearly 30 percent from 5 years ago.

Increasing petroleum costs meant farmers not only paid more for fuel, but also for fertilizer products, chemicals, and transportation services. Indirectly, fuel prices and the growth in ethanol production also led to higher crop prices, resulting in increased cost for livestock feed.

The NASS report shows that the average production expenditures per farm increased 10 percent nationwide, from \$114,186 in 2006 to \$125,648 in 2007. On average, U.S. farm expenditures for fertilizer, lime and soil conditioners jumped 26 percent to \$8,070; feed costs rose 22 percent to \$18,412; fuel costs increased by 15 percent to \$6,137; and agricultural chemicals climbed 12 percent to \$4,832.

On average, 2007 total farm production expenditures for all other states in the western region (AZ, CO, ID, MT, NV, NM, OR, UT, WY), which includes Montana farmers and ranchers, increased 3 percent from \$141,789 in 2006 to \$145,393 in 2007. On average, western region farm expenditures for feed rose 24 percent; real estate & property taxes jumped 14 percent; fuels jumped 12 percent; fertilizer, lime & soil conditioners increased 10 percent; labor increased 6 percent; and interest increased 1 percent. The largest expenditure for this region was for feed, accounting for \$4.5 billion in 2007 and 17 percent of farm expenditures.

In total, U.S. producers spent \$12.7 billion on fuel, including \$7.71 billion for diesel, up 15 percent; \$2.74 billion for gasoline, up 16 percent; \$1.5 billion for LP gas, up 17 percent; and \$750 million for other fuels, up 4.2 percent.

For all other states in the western region, producers spent \$1.25 billion on fuel, or 5 percent of their total farm expenditures.

The Farm Production Expenditures summary provides the official estimates for production input costs on U.S. agricultural operations. These estimates are based on the results of the nationwide Agricultural Resource Management Survey conducted annually by NASS. The Farm Production Expenditures summary and all NASS reports are available online at www.nass.usda.gov.

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Farm Production Expenditures: Average Per Farm and Total, U.S. and All Other Western States 2006-07

Farm Expenditure	United States				All Other Western States			
	Average per farm		Total Expenditures		Average per farm		Total Expenditures	
	2006	2007	2006	2007	2006	2007	2006	2007
	Dollars		Million Dollars		Dollars		Million Dollars	
Total Farm Production Expenditures	114,186	125,648	237,810	260,010	141,789	145,393	25,210	25,720
Livestock, poultry & Related Expenses	12,532	12,903	26,100	26,700	12,598	11,645	2,240	2,060
Feed	15,077	18,412	31,400	38,100	20,585	25,438	3,660	4,500
Farm Services	15,365	16,575	32,000	34,300	22,497	21,990	4,000	3,890
Rent	8,787	8,988	18,300	18,600	8,774	7,744	1,560	1,370
Ag Chemicals	4,321	4,832	9,000	10,000	3,656	3,618	650	640
Fertilizer, Lime & Soil Conditioners	6,386	8,070	13,300	16,700	5,793	6,388	1,030	1,130
Interest	5,138	5,557	10,700	11,500	6,918	7,010	1,230	1,240
Taxes (Real Estate & Property)	4,321	4,736	9,000	9,800	4,556	5,201	810	920
Labor	11,764	12,564	24,500	26,000	18,898	20,068	3,360	3,550
Fuels	5,330	6,137	11,100	12,700	6,299	7,066	1,120	1,250
Farm Supplies & Repairs	6,434	6,910	13,400	14,300	9,449	8,649	1,680	1,530
Farm Improvements & Construction	6,098	6,330	12,700	13,100	8,886	8,310	1,580	1,470
Tractors & Self-Propelled Farm Machinery	3,505	3,914	7,300	8,100	3,768	3,901	670	690
Other Farm Machinery	1,873	1,933	3,900	4,000	2,081	1,922	370	340
Seeds & Plants	5,282	5,751	11,000	11,900	4,274	3,901	760	690
Trucks & Autos	1,873	1,933	3,900	4,000	2,531	2,431	450	430
Miscellaneous Capital Expenses	101	101	210	210	225	113	40	20

Other Western States include AZ, CO, ID, MT, NV, NM, OR, UT, WY